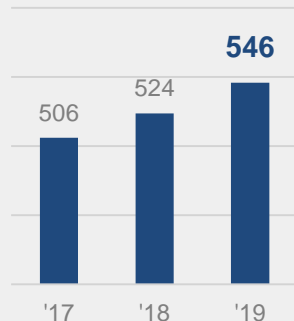


# H1 2019 FINANCIAL RESULTS

“Non-stop growth”



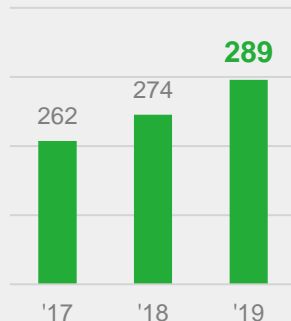
# H1 results



Ebitda (M€)

**+4.3%**

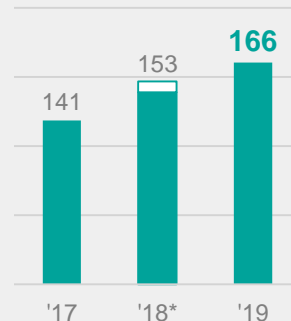
1H '18/'19



Ebit (M€)

**+5.6%**

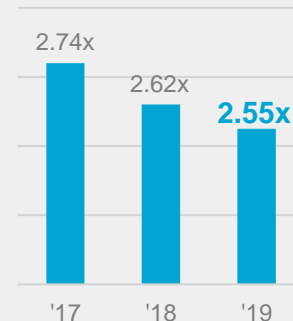
1H '18/'19



Net Profit (M€)

**+8.4%**

1H '18/'19

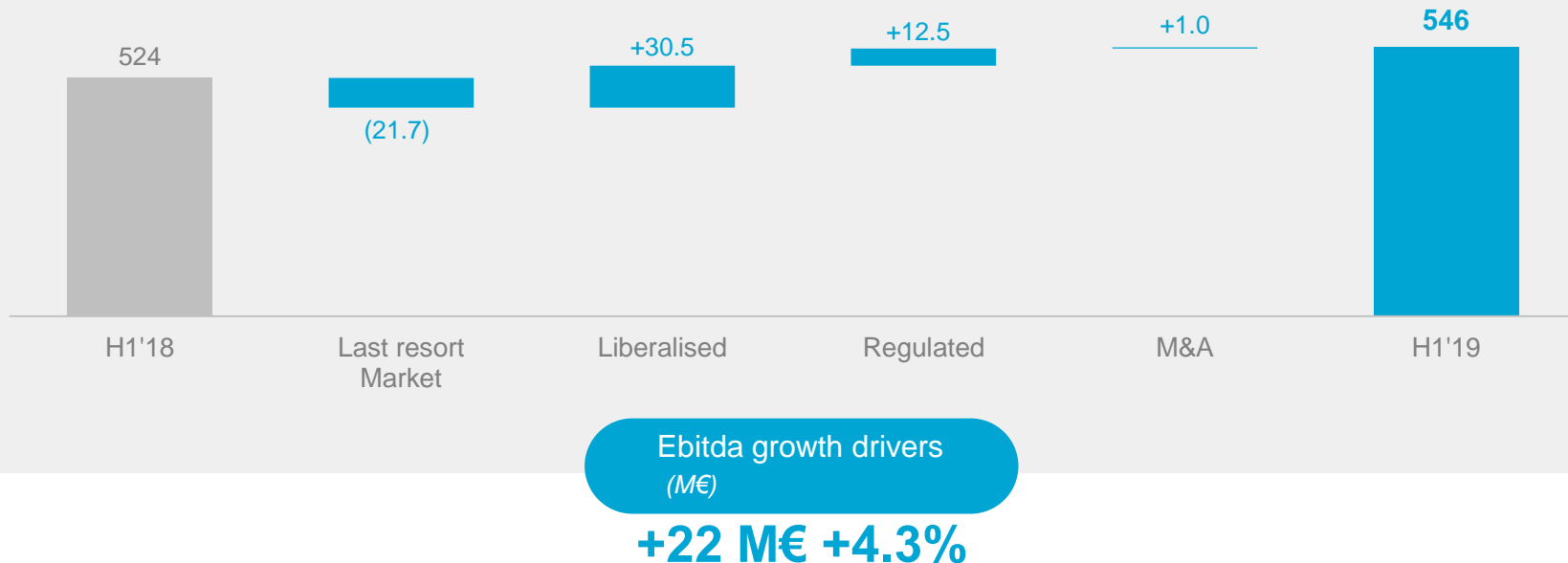


Debt/Ebitda (x)  
Rolling

**Outperforming growth path**

\*Adjusted for extraordinary income related to Medea disposal

## Growth based on organic drivers and coming from all activities

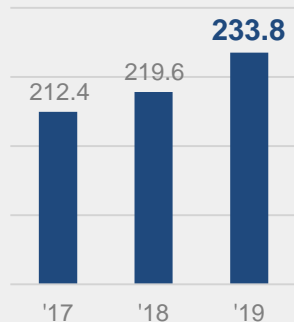


**Strong performance on both liberalised and regulated activities**

Growth in all businesses



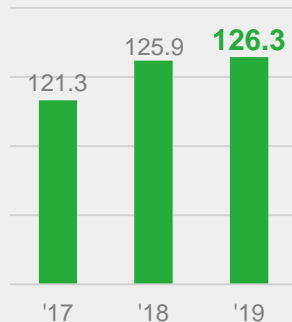
# Overview on H1 results by business



Networks (M€)

**+6.5%**

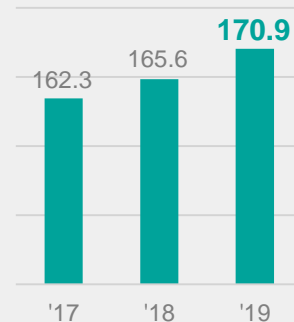
'19/'18



Waste (M€)

**+0.3%**

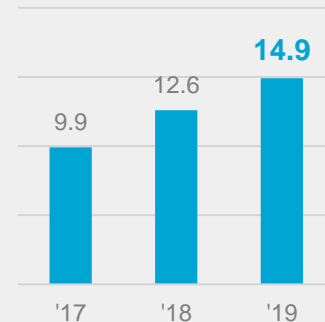
'19/'18



Energy (M€)

**+3.2%**

'19/'18



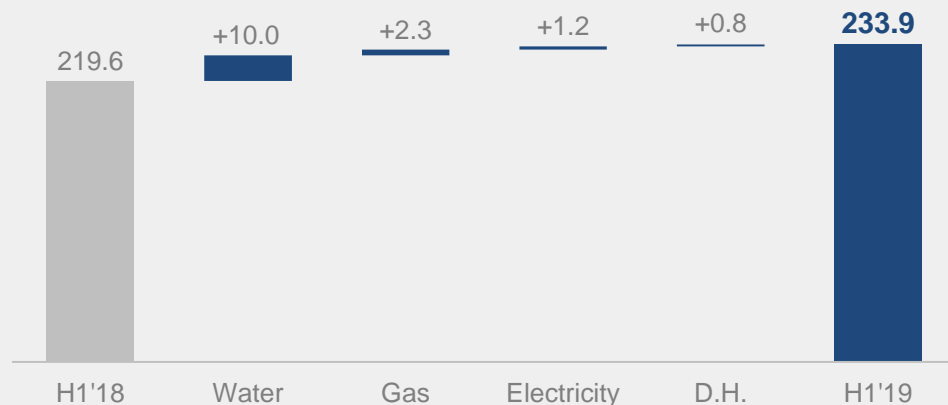
Other (M€)

**+18.3%**

'19/'18

**Linear growth trends on track**

# Networks



Ebitda growth  
(M€)

**+14 M€ +6.5%**

## Efficiency

- Positive efficiency gains and Premiums in water business

## Wacc

- Results benefitted from Wacc review in Energy tariffs

## Connections

- Slight growth in new connections

**Efficiency and tariffs underpin growth**

# Waste



Ebitda growth  
(M€)

**+0.4 M€ +0.3%**

## New plants

- Bio-methane plant started operations

## Aliplast

- Aliplast posted further growth

## Prices

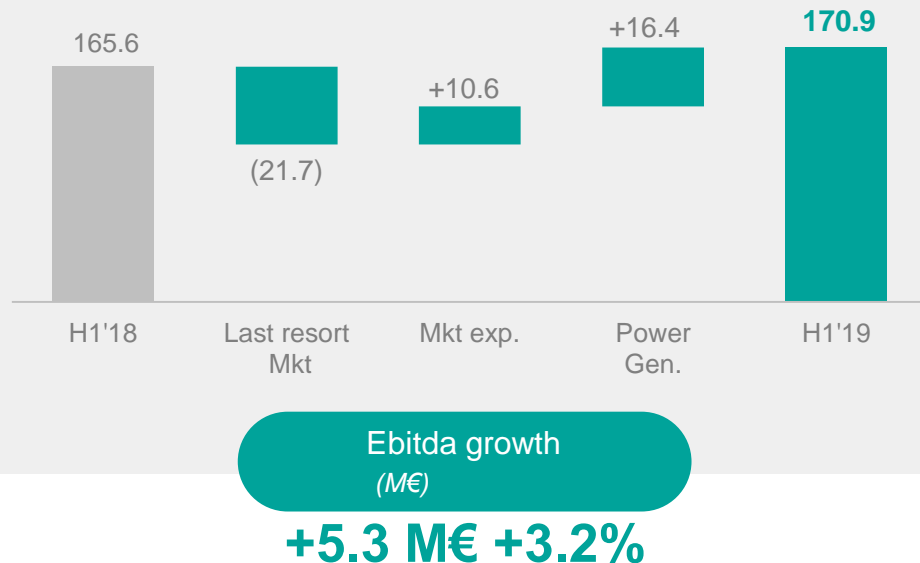
- Positive price trend confirmed

## Negative

- Plant availability (WTE maintenance, landfill)

**Capitalizing partially positive trend**

# Energy



## Last resort market

- Safeguarded margins affected by 2018 tenders partially offset by increased Default and FUI

## Market expansion

- 12 months Market expansion:
  - +135K electricity clients
  - + 57K gas clients

## Power generation

- Power generation benefitted from ancillary services and Teverola plant back to operation

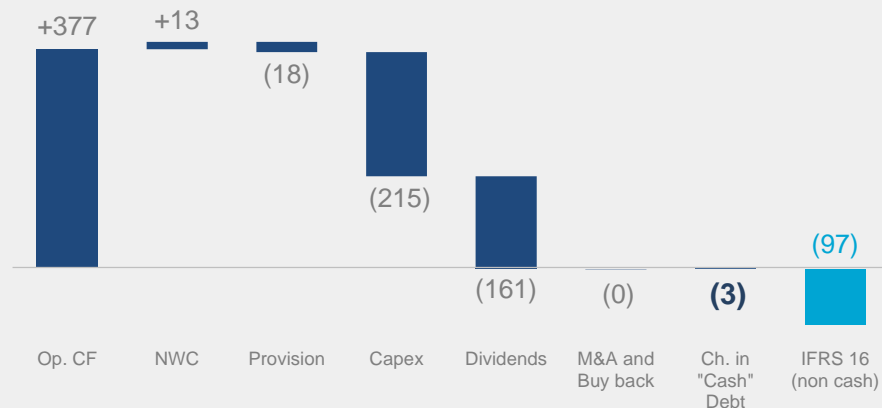
**Expanded customer base to 2.6 mln**



Sound cash generation



# Good 6 month cash generation



Free Cash Flow  
(M€)

**+158 M€**

## Debt/Ebitda

- Debt at 2.685 b€  
(+0.1b€ "non cash" increase)
- Confirmed at 2.55x

## Debt refinancing

- 500m€ Green bond issued end of June  
(7x oversubscription, yield 1.08%)
- Avg debt duration of 6 years

**“Cash neutral” after annual dividend payment**

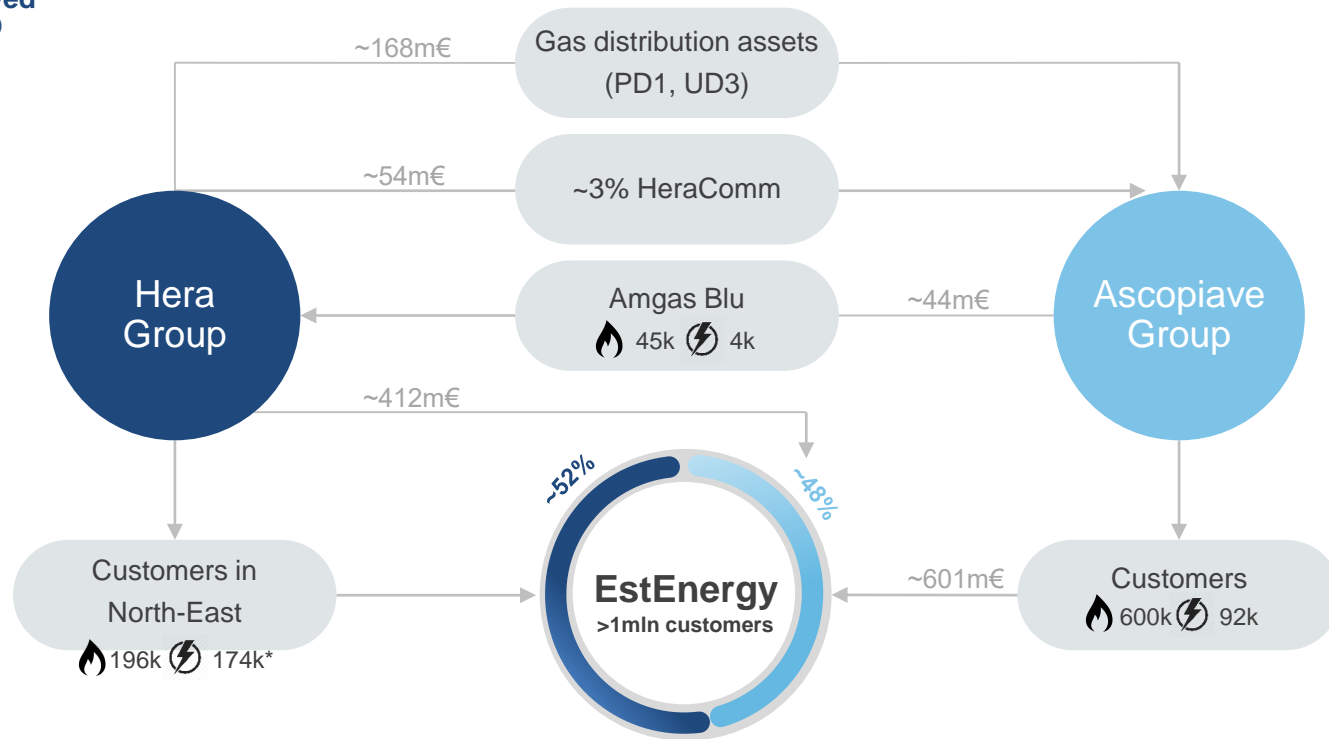
# M&A & Dev. Projects and Closing remarks



# Hera – Ascopiave asset swap

## Asset involved<sup>^</sup>

(Equity value in M€)

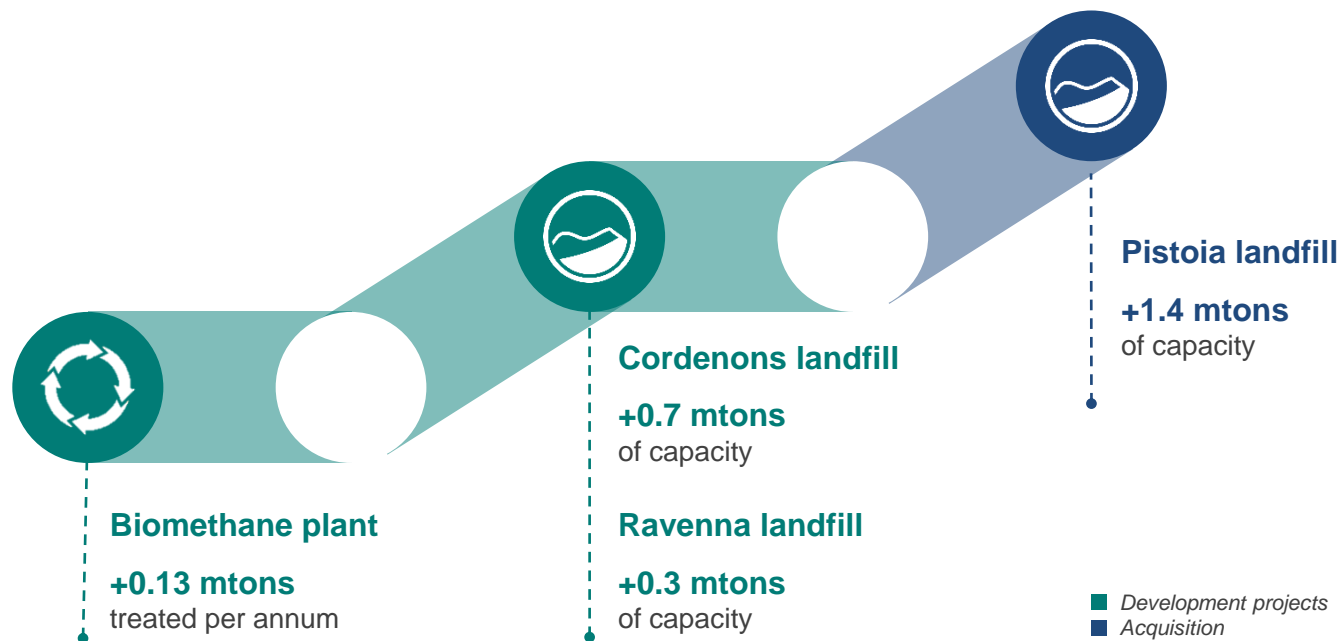


## Squaring of the circle

<sup>^</sup>Values subject to adjustment in the framework agreement under way

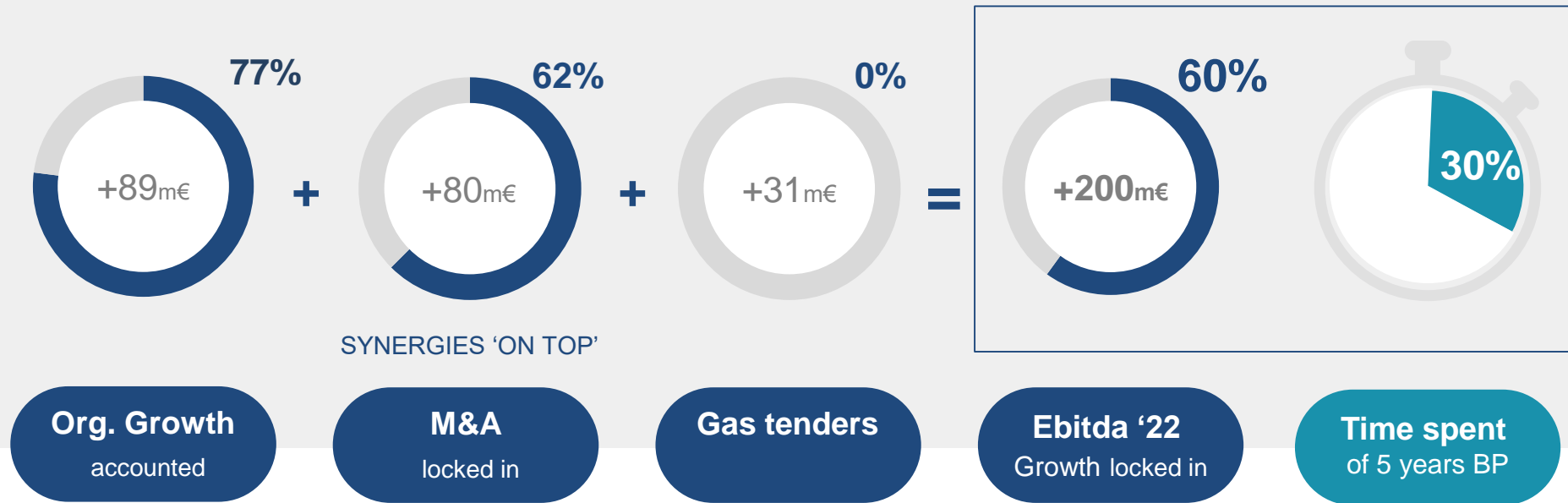
\*Of which ~90k under Maggior Tutela

# Strengthening our waste treatment platform



## Additional capacity to fully embed price trends in our results

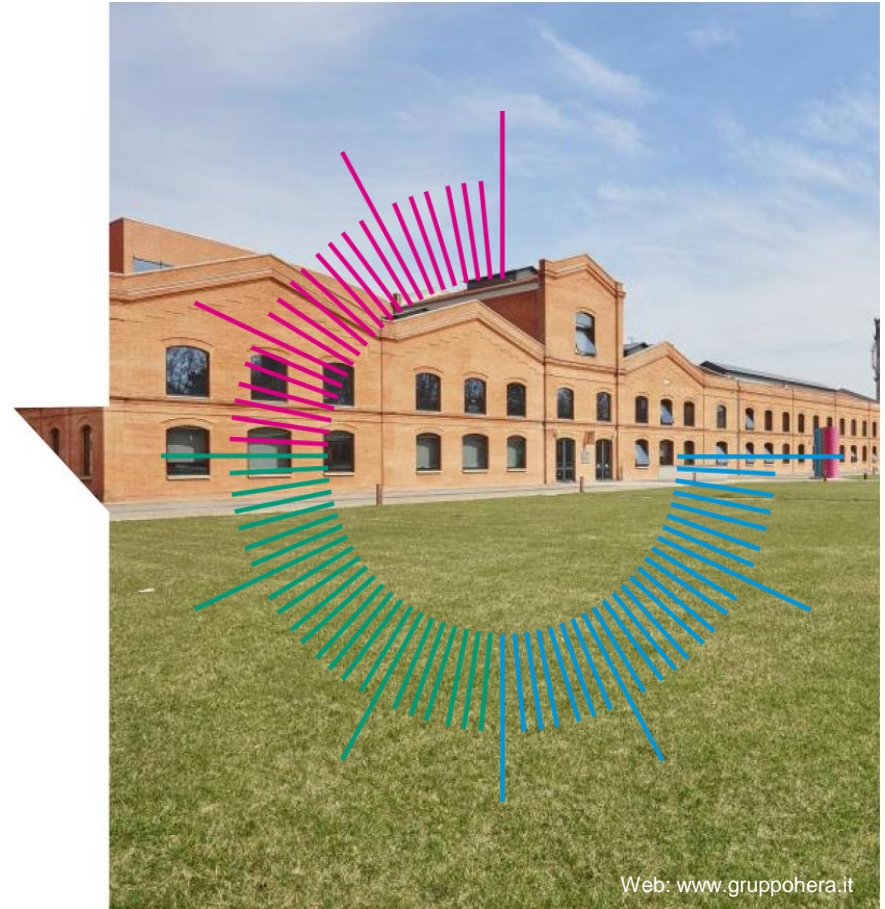
## Closing remarks: strong visibility on plan execution



**Value creation on track**

# Q&A and Appendix

Further details on H1 2019 results are available in this section.



# Annex: P&L

## Profit & Loss

(M€)

	H1 '18	H1 '19	
<b>REVENUES</b>	<b>3,176.5</b>	<b>3,620.6</b>	<b>+14.0%</b>
<b>EBITDA</b>	<b>523.6</b>	<b>545.9</b>	<b>+4.3%</b>
<i>Ebitda margin</i>	<i>16.5%</i>	<i>15.1%</i>	
Depreciation and provisions	(250.0)	(257.0)	
<b>EBIT</b>	<b>273.6</b>	<b>288.9</b>	<b>+5.6%</b>
Financial costs	(38.8)	(40.6)	
Figurative interests (IAS) & Leasing	(9.0)	(10.8)	
Income from Associates & J.V.	8.6	6.5	
<b>PRETAX PROFIT</b>	<b>234.4</b>	<b>244.0</b>	<b>+4.1%</b>
Tax	(72.0)	(70.1)	
<i>Tax rate</i>	<i>30.7%</i>	<i>28.7%</i>	
Special items*	4.8	0.0	
Minorities	(9.1)	(7.7)	
<b>NET PROFIT POST MINORITIES</b>	<b>158.1</b>	<b>166.2</b>	<b>+5.1%</b>

\* Capital gains related to the Medea disposal



# Annex: Waste and Water

## Waste: Profit & Loss

(m€)	H1 2018	H1 2019	Ch.
Revenues	561.4	595.1	+33.7
<b>Ebitda</b>	<b>125.9</b>	<b>126.3</b>	<b>+0.4</b>

## Waste: KPIs

Data	H1 2018	H1 2019	Ch.
Urban W. Volumes (Kton)	1,120.2	1,149.3	+29.2
Special W. Volumes (Kton)	1,177.5	1,110.4	(67.1)
<b>Waste from third parties</b>	<b>2,297.6</b>	<b>2,259.7</b>	<b>(37.9)</b>

## Water: Profit & Loss

(m€)	H1 2018	H1 2019	Ch.
Revenues	412.3	430.8	+18.5
<b>Ebitda</b>	<b>112.8</b>	<b>122.8</b>	<b>+10.0</b>

## Water: KPIs

Data	H1 2018	H1 2019	Ch.
<b>Aqueduct (mm3)</b>	<b>142.8</b>	<b>137.7</b>	<b>(5.1)</b>
Sewerage (mm3)	120.9	116.7	(4.3)
Purification (mm3)	119.8	115.0	(4.8)

# Annex: Gas and Electricity

## Gas: Profit & Loss

(m€)	H1 2018	H1 2019	Ch.
Revenues	1,128.8	1,502.0	+373.2
<b>Ebitda</b>	<b>188.4</b>	<b>195.6</b>	<b>+7.2</b>

## Gas: KPIs

Data	H1 2018	H1 2019	Ch.
Volumes distrib. (mm3)	1,827.3	1,784.9	(42.4)
Volumes sold (mm3)	2,820.1	4,215.2	+1,395.0
<i>of which trading (mm3)</i>	<i>1,487.0</i>	<i>2,833.2</i>	<i>+1,346.2</i>
District Heating (GWht)	307.8	303.8	(4.0)
Final retail volumes (mm3)	1,333.1	1,382.0	+48.8
Clients ('000 unit)	1,412.8	1,469.9	+57.1

## Electricity: Profit & Loss

(m€)	H1 2018	H1 2019	Ch.
Revenues	1,184.2	1,208.4	+24.1
<b>Ebitda</b>	<b>84.0</b>	<b>86.3</b>	<b>+2.3</b>

## Electricity: KPIs

Data	H1 2018	H1 2019	Ch.
Volumes sold (GWh)	5,866.5	6,124.5	+258.0
<i>of which Salvaguardia (GWh)</i>	<i>1,272.1</i>	<i>1,420.1</i>	<i>+148.0</i>
Volumes distrib. (GWh)	1,514.7	1,508.7	(6.0)
Clients ('000 unit)	1,013.6	1,148.1	+134.5